

## Pension Benefit Guaranty Corporation

## § 4044.74

(i) If the form was a single or joint life annuity, no benefit shall be valued; or

(ii) If the participant had made a valid election of a lump sum benefit before he or she died, the form to be valued is the lump sum.

(2) For a participant who was eligible for immediate retirement, and for a participant who was in pay status at the date of termination—

(i) If the form was a single life annuity, no benefit shall be valued;

(ii) If the form was an annuity for a period certain and life thereafter, the form to be valued is an annuity for the certain period;

(iii) If the form was a joint and survivor annuity, the form to be valued is a single life annuity payable to the beneficiary, unless the beneficiary has also died, in which case no benefit shall be valued;

(iv) If the form was an annuity for a period certain and joint and survivor thereafter, the form to be valued is an annuity for the certain period and the life of the beneficiary thereafter, unless the beneficiary has also died, in which case the form to be valued is an annuity for the certain period;

(v) If the form was a cash refund annuity, the form to be valued is the remaining lump sum death benefit; or

(vi) If the participant had elected a lump sum benefit before he or she died, the form to be valued is the lump sum.

(c) When the participant is still living and the named beneficiary or spouse dies after the date of termination but before the date of distribution, the form of annuity to be valued is determined under paragraph (c)(1) or (c)(2) of this section:

(1) For a participant entitled to a deferred annuity—

(i) If the form was a joint and survivor annuity, the form to be valued is a single life annuity payable to the participant; or

(ii) If the form was an annuity for a period certain and joint and survivor thereafter, the form to be valued is an annuity for the certain period and the life of the participant thereafter.

(2) For a participant eligible for immediate retirement and for a participant in pay status at the date of termination—

(i) If the form was a joint and survivor annuity, the form to be valued is a single life annuity payable to the participant; or

(ii) If the form was an annuity for a period certain and joint survivor thereafter annuity, the form to be valued is an annuity for the certain period and for the life of the participant thereafter.

### § 4044.73 Lump sums and other alternative forms of distribution in lieu of annuities.

(a) *Valuation.* (1) The value of the lump sum or other alternative form of distribution is the present value of the normal form of benefit provided by the plan payable at normal retirement age, determined as of the date of distribution using reasonable actuarial assumptions as to interest and mortality.

(2) If the participant dies before the date of distribution, but had elected a lump sum benefit, the present value shall be determined as if the participant were alive on the date of distribution.

(b) *Actuarial assumptions.* The plan administrator shall specify the actuarial assumptions used to determine the value calculated under paragraph (a) of this section when the plan administrator submits the benefit valuation data to the PBGC pursuant to § 2617.12 of part 2617 of this chapter. The same actuarial assumptions shall be used for all such calculations. The PBGC reserves the right to review the actuarial assumptions used and to revalue the benefits determined by the plan administrator if the actuarial assumptions are found to be unreasonable.

(See Note at beginning of part 4044.)

### § 4044.74 Withdrawal of employee contributions.

(a) If a participant has not started to receive monthly benefit payments on the date of distribution, the value of the lump sum which returns mandatory employee contributions is equal to the total amount of contributions made by the participant, plus interest that is payable to the participant under the terms of the plan, plus interest on that total amount from the date

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of termination to the date of distribution. The rate of interest credited on employee contributions up to the date of termination shall be the greater of the interest rate provided under the terms of the plan or the interest rate required under section 204(c) of ERISA or section 411(c) of the IRC.

(b) If a participant has started to receive monthly benefit payments on the date of distribution, part of which are attributable to his or her contributions, the value of the lump sum which returns employee contributions is equal to the excess of the amount described in paragraph (b)(1) of this section over the amount computed in paragraph (b)(2) of this section.

(1) The amount of accumulated mandatory employee contributions remaining in the plan as of the date of termination plus interest from the date of termination to the date of distribution.

(2) The excess of benefit payments made from the plan between date of plan termination and the date of distribution, over the amount of payments that would have been made if the employee contributions had been paid as a lump sum on the date of plan termination, with interest accumulated on the excess from the date of payment to the date of distribution.

(c) *Interest assumptions.* The interest rate used under this section to credit interest between the date of termination to the date of distribution shall be a reasonable rate and shall be the same for both paragraphs (a) and (b).

## § 4044.75 Other lump sum benefits.

The value of a lump sum benefit which is not covered under § 4044.73 or § 4044.74 is equal to—

(a) The value under the qualifying bid, if an insurer provides the benefit; or

(b) The present value of the benefit as of the date of distribution, determined using reasonable actuarial assumptions, if the benefit is to be distributed other than by the purchase of the benefit from an insurer. The PBGC reserves the right to review the actuarial assumptions as to reasonableness and re-value the benefit if the actuarial assumptions are unreasonable.

(See Note at beginning of part 4044.)

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### APPENDIX A TO PART 4044—MORTALITY RATE TABLES

The tables in this appendix set forth for each age  $x$  the probability  $q_x$  that an individual aged  $x$  will not survive to attain age  $x+1$ .

TABLE 1—MORTALITY TABLE FOR HEALTHY MALE PARTICIPANTS

Age $x$	$q_x$
5 .....	0.000342
6 .....	0.000318
7 .....	0.000302
8 .....	0.000294
9 .....	0.000292
10 .....	0.000293
11 .....	0.000298
12 .....	0.000304
13 .....	0.000310
14 .....	0.000317
15 .....	0.000325
16 .....	0.000333
17 .....	0.000343
18 .....	0.000353
19 .....	0.000365
20 .....	0.000377
21 .....	0.000392
22 .....	0.000408
23 .....	0.000424
24 .....	0.000444
25 .....	0.000464
26 .....	0.000488
27 .....	0.000513
28 .....	0.000542
29 .....	0.000572
30 .....	0.000607
31 .....	0.000645
32 .....	0.000687
33 .....	0.000734
34 .....	0.000785
35 .....	0.000860
36 .....	0.000907
37 .....	0.000966
38 .....	0.001039
39 .....	0.001128
40 .....	0.001238
41 .....	0.001370
42 .....	0.001527
43 .....	0.001715
44 .....	0.001932
45 .....	0.002183
46 .....	0.002471
47 .....	0.002790
48 .....	0.003138
49 .....	0.003513
50 .....	0.003909
51 .....	0.004324
52 .....	0.004755
53 .....	0.005200
54 .....	0.005660
55 .....	0.006131
56 .....	0.006618
57 .....	0.007139
58 .....	0.007719
59 .....	0.008364
60 .....	0.009158
61 .....	0.010064
62 .....	0.011133
63 .....	0.012391
64 .....	0.013868
65 .....	0.015592
66 .....	0.017579